

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)	
On Its Own Motion)	
)	11-NOI-01
Notice of Inquiry into the Implementation)	
of Public Act 97-0222)	

INITIAL COMMENTS
OF THE
NATIONAL ENERGY MARKETERS ASSOCIATION

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The National Energy Marketers Association (NEM)¹ hereby respectfully submits its Initial Comments on the Notice of Inquiry (NOI) issued by the Commission in the above-referenced proceeding dated October 19, 2011. The NOI was issued pursuant to the obligation created under Public Act 97-0222 to review the Commission's existing consumer education materials for residential and small commercial customers. The Commission raised two specific questions for comment as follows:

1. Is there a need for the Commission to update existing consumer education information for residential and small commercial customers? Please provide specific examples of information that is no longer accurate or that is not complete in its explanation of a particular issue.

¹ The National Energy Marketers Association (NEM) is a non-profit trade association representing both leading suppliers and major consumers of natural gas and electricity as well as energy-related products, services, information and advanced technologies throughout the United States, Canada and the European Union. NEM's membership includes independent power producers, suppliers of distributed generation, energy brokers, power traders, global commodity exchanges and clearing solutions, demand side and load management firms, direct marketing organizations, billing, back office, customer service and related information technology providers. NEM members also include inventors, patent holders, systems integrators, and developers of advanced metering, solar, fuel cell, lighting and power line technologies.

This document reflects the views of the National Energy Marketers Association and does not necessarily reflect the views of any specific member of the Association. NEM notes that there may be individual member(s) that have different views on the issues herein.

2. If a commenting party is of the opinion that certain information requires updating, provide proposed language to remedy the perceived shortcoming of the current language.

Attendant with the examination of existing consumer education materials, Staff also requested comment on proposed methodologies for communicating information to consumers about contacts and inquiries received by the Commission relative to Retail Electric Suppliers (RESs) and residential consumers. As discussed in more detail herein, NEM believes that the Commission is to be commended for the current consumer education materials that it has developed and made available for consumers to use in evaluating their electric choice options. With respect to Staff's proposal on presentation of data regarding residential consumer contacts and inquiries to the Commission about RESs, NEM offers certain suggested refinements to the manner in which the statistics are collected and maintained to facilitate consumer understanding and usefulness of the information.

I. Consumer Education Materials

The Commission launched its PlugInIllinois website in April 2010, coinciding with the availability of energy choice options for mass market consumers. The Offer Comparison Matrix was added to the PlugInIllinois website in July 2011. The PlugInIllinois website is a comprehensive tool for electric consumers interested in learning more about energy choice from a neutral, objective source. The site features information about migration rates, switching FAQs and a glossary of terms, utility Price to Compare information, a listing of suppliers and currently available residential supply offers. The site is an excellent resource for a consumer to consult to learn about available options. A review and comparison of similar websites made available to

energy consumers by the Pennsylvania Public Utility Commission,² New York Public Service Commission,³ and Public Utility Commission of Texas (PUCT)⁴ reveals that the PlugInIllinois website contains comparable information and resources. Information on the PlugInIllinois website is updated frequently and that should continue. Likewise, the Commission may want to reexamine the website as the market matures, to determine if there are future appropriate revisions to the website and the inclusion of other data that consumers may find relevant. On this basis, NEM believes that the Commission's existing consumer education materials are a valuable resource for consumers and are not in need of change.

NEM's chief observation is that the provision of competitively neutral consumer education is an on-going process that should be undertaken collaboratively by the stakeholders. It is a responsibility that the Commission, energy suppliers, utilities, and consumer advocates all share. We commend the Commission's consumer education efforts to date and encourage your continued efforts to support informed consumer shopping in Illinois.

II. Presentation of Data Regarding Residential Consumer Contacts and Inquiries

Staff proposed that statistics pertaining to contacts and inquiries made by residential consumers to the Commission about RESs be added to the PlugInIllinois website. Staff proposed three different options for the presentation of the statistics, modeled in part on the approach taken in the existing PUCT Power to Choose website. As an overarching recommendation from the outset, NEM cautions against the use of the word "complaint" in reference to these statistics. The Staff proposal notes that the data collected would include straightforward consumer contacts

² <http://www.papowerswitch.com/>

³ <http://www.newyorkpowertochoose.com/>

⁴ <http://www.powertochoose.org/>

that are not in the true nature of a complaint, i.e., when a consumer called to ascertain if a supplier was licensed in Illinois. Moreover, using the word “complaint” carries an unnecessary, negative connotation to consumers. Indeed, what is termed a “complaint” may be later dismissed and so these issues should more appropriately be referred to as “contacts” or “inquiries.” It overshadows that the desired result of a consumer inquiry process should be to obtain a reasonable resolution that does not rise to the level of a complaint, and to permit the supplier to respond to the concern. We submit that this creates a more consumer-friendly environment that encourages supplier compliance and a commitment to exemplary service. NEM notes that the PUCT does not include general inquiries in its statistics.

NEM recommends that statistics of this nature be maintained in accordance with the following proposal. For purposes of this discussion, when NEM uses the word “contact” we are referring to simple, straightforward consumer questions that are not in need of supplier or Commission investigation or resolution. For example, when a consumer calls to ask if a supplier is licensed in Illinois this would constitute a “contact.” In this discussion, the term “inquiry” is intended to refer to anything other than a simple, straightforward question but that is not the subject of a formal complaint. NEM uses the term “resolved inquiry” to refer to an inquiry in which the supplier has satisfied the consumer concern without formal Commission action. An “escalated inquiry” would be triggered by the initiation of a formal Commission proceeding by a consumer or the Commission against a supplier after the supplier was afforded an adequate opportunity to respond to the inquiry.⁵

Using this terminology, NEM suggests that statistics be maintained regarding the following:

⁵ The differentiation between an “inquiry” and “escalated inquiry” as proposed could be a corollary to the regulatory terminology of “informal complaint” and “formal complaint.”

- The number of contacts received by the Commission for each supplier as a percentage of all contacts as compared to the industry average:⁶
- The number of inquiries received by the Commission for each supplier as a percentage of all inquiries as compared to industry average;
- The number of resolved inquiries received by the Commission for each supplier as a percentage of all resolved inquiries as compared to industry average; and
- The number of escalated inquiries received by the Commission for each supplier as a percentage of all escalated inquiries as compared to industry average.

Statistics should be maintained and expressed for each service territory, ComEd and Ameren. As suggested by Staff, a six-month rolling average of the contacts/inquiries, updated on a monthly basis, should be utilized. The six-month rolling average will help to mitigate the matching problem that Staff identified between the time when consumer contacts/inquiries are received and when migration data becomes available.

The results could either be posted showing the exact percentage for each supplier or as a function of the star system that Staff proposed in the scorecard. There are benefits and drawbacks to each method. If the statistics are expressed using exact percentages this will illustrate more precisely and accurately the level of customer service that a consumer received from the RES. However, as discussed above, there are some inherent data collection issues associated with timeliness of

⁶ For illustration purposes, if the Commission received 50 contacts about ABC Corp. and ABC Corp. had 50,000 customers, it would have a .1% contact rate. If the Commission received 10,000 contacts and 1,000,000 customers had migrated to RESs during that month, the industry average contact rate would be 1%. ABC Corp.'s contact rate is therefore favorable to industry average.

An alternative means of expressing this information is on the basis of the number of consumer contacts per 1,000 residential consumers. Using the numbers in the preceding example, ABC Corp. received 1 contact per 1,000 customers. The industry average was 10 contacts per 1,000 customers.

consumer migration information and this may argue against reliance on exact figures. Alternatively, a star scorecard approach may be easier for consumers to use and understand inasmuch as they encounter this type of rating system in many consumer services.⁷ However, it does not distinguish the RESs that are delivering truly superlative customer service, which is clearly one of the factors a consumer would factor into in selecting a supplier. With that said, NEM suggests that a further collaborative to ascertain how to best express the statistics in a manner that is meaningful to consumers and that likewise accurately gauges supplier performance may be useful.

All three of Staff's proposals and NEM's would not reveal confidential RES customer counts in the presentation of the data. NEM believes that this is imperative to avoid imposing substantial injury to RESs competitive positions. Notwithstanding what methodology is ultimately chosen, the confidential treatment of customer count should be utilized.

Staff incorporated a descriptive paragraph in its three proposals to explain the nature of the statistics and the weight that a consumer may want to ascribe to them. NEM agrees that this type of information should be incorporated into the presentation of the statistics to sensitize consumers as to the meaning and relative value of the information.

⁷ NEM suggests that if a scorecard approach is used that the highest rating be denoted with the most stars and the lowest rating be denoted with a single star. This is in keeping with rating systems that consumers encounter for other products and services, i.e., four star restaurants or hotels are of the highest quality.

NEM suggests the following modified version of Staff's language in its scorecard option proposal:

These statistics are updated monthly and are based on all contacts and inquiries the ICC has received about retail electric suppliers. The statistics are collected for the following activities:

- Contacts - simple, straightforward consumer questions that are not in need of supplier or Commission investigation or resolution.
- Inquiries - anything other than a simple, straightforward question that is not the subject of a formal complaint.
- Resolved inquiries - an inquiry in which the supplier has satisfied the consumer concern without formal Commission action
- Escalated inquiries – actions triggered by the initiation of a formal Commission proceeding by a consumer or the Commission against a supplier after the supplier was afforded an adequate opportunity to respond to the inquiry.

Keep in mind that suppliers serving a large number of customers will generally have a greater absolute number of complaints due to their size. The length and amount of different suppliers' activity in the marketplace will also influence the results. Also, significant changes in the statistics may occur from month to month for smaller suppliers based on only a few complaints.

This complaint summary should be viewed as only one measure of the customer service provided by alternative retail electric suppliers. You may wish to also review other resources regarding a supplier's customer service such as the Better Business Bureau.

III. Conclusion

NEM supports the Commission in its efforts to support the development of retail electric choice. Informed consumers are fundamental to a sustained, vibrant choice program. The Commission's PlugInIllinois website is an integral tool to achieving this objective. Staff offered proposals on incorporating statistics regarding contacts and inquiries made by residential consumers to the

Commission about RESs on the website. NEM respectfully recommends that its refinements to Staff's proposals be utilized in the presentation of the statistics.

Respectfully submitted,

THE NATIONAL ENERGY MARKETERS
ASSOCIATION

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